

Individual Contract (IC)

Procurement Support Office (PSO), Bureau of Management (BoM), UNDP



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1.0 INTRODUCTION

1.1 Definition and Scope

The policies and procedures described in this document have been developed to respond effectively to the dynamic environment in which UNDP operates, and to ensure rational use throughout UNDP offices in engaging individuals to perform a range of tasks, from those involving highly specialized work to those involving more routine services.

As a general policy, the Individual Contract (IC) is used for the procurement of **services of an individual to perform non-staff tasks** in connection with **clear and quantifiable deliverables** which shall be listed in the contract and linked to payment.

The Individual Contract is intended solely to deliver **time and deliverable bound services**, subject to availability of funds. The manager should define a reasonable period of time for the full delivery of the specified deliverables.

These **services can be intellectual in nature** (requiring a consultant) or **support services** (requiring a contractor). Examples of consultancy services include the development of a concept note, the preparation of a project document, moderation of a workshop or rendering strategic technical advice. Contractor services may include repair or maintenance of an immediate nature.

The **approving authority must ensure compliance with the process outlined in this document and the proper use** of the Individual Contract modality.

The management of Individual Contracts is a procurement activity and therefore subject to competitive processes as elaborated in Section 4.2 “Competitive Selection Process”.

As a result of the competitive process, and depending on the status of the selected Individual Consultant/Contractor, one of the following types of contracts may be issued:

Individual Contract (IC): UNDP desires to engage the services of the Individual Consultant/Contractor who shall complete deliverables according to the defined terms of reference (TOR). As described above, the IC may be used for highly specialized services (consultant) or for more routine services (contractor).

Reimbursable Loan Agreement (RLA): UNDP desires to engage the services of an individual who is working with an entity/institution, which will make available the Individual Consultant/Contractor to complete deliverables according to the defined terms of reference. In the RLA, the contractual relationship is between UNDP and the entity/institution.

For the purpose of the present guidelines, a company/institution shall refer to a legal entity authorized to provide services in the country where they are required. Both contract types are subject to the same procurement processes, procedures and thresholds as outlined in these guidelines.

1.2 Overall Procurement Authority

The overall authority for the award, issuance and administration of Individual Contracts rests with the Chief Procurement Officer (CPO), who has delegated such authority to the Resident Representatives (RRs), Bureau Directors, heads of out-posted headquarters (HQ) units and other heads of various offices at headquarters.

1.2.1 Delegation of Procurement Authority

- Resident Representatives, Bureau Directors, heads of out-posted HQ units and other heads of various offices at headquarters, have authority to award a contract or series of contracts with the same individual (IC)/entity (RLA), of up to USD 100,000. This authority applies whether the Individual Contract is awarded based on a competitive process or as a result of direct contracting (waiver of competition). Any increased delegation of authority granted does not apply to Individual Contracts.
- For Individual Contracts or a series of Individual Contracts awarded to the same individual over a 12 month period with a cumulative value above USD 100,000, the procurement authority to award the contract remains with the CPO. For purposes of calculating the cumulative amount, the 12 month period begins 12 months prior to the expected date of contract commencement.

1.2.2 Limits of Delegated Authority

Consultant Fee

For country offices, any Individual Consultant/Contractor with a daily fee exceeding USD 1,000¹, regardless of contract duration, requires approval of the daily fee from the regional bureau director. For HQ units and out-posted HQ units, the approval needs to be granted by the head of the bureau and for independent offices such as the Office of Audit and Investigations (OAI) or the Evaluation Office, by the head of the office. Submissions need to be presented using the "[Consultancy Fee Approval Form](#)". Any such approval must be obtained prior to and be included in any required submission to a procurement review committee (if applicable).

The daily consulting fee is the total contract amount divided by the number of working days for the contracted period (excluding travel expenses and daily allowances/per diems).

Duration

The duration of the Individual Consultant/Contractor's engagement with UNDP should be reasonable given the required output/deliverables that must be performed. **In the event that the Individual Consultant/Contractor's engagement on an assignment (including extensions of the same contract) exceeds 12 months, approval from the head of the respective bureau must be obtained prior to any required submission to a procurement review committee (if applicable) and prior to contract signature, to ensure the proper use of this contractual modality.**

2.0 USE OF THE IC

2.1 Correct Use of the Individual Contract

The following are the conditions for which the IC is the appropriate contract to be used:

¹ Excluding travel expenses and daily allowances/per diems

- a. When the required services cannot be met from within the existing staff resources for lack of specialized knowledge and/or expertise;
- b. When the assignment is results-oriented and can be completed outside of the office or within the office for a finite period of time linked to deliverables, and requiring the performance of a non-staff function (which may also include support services); and
- c. For any of the activities that a Service Contract (SC) would be used that are less than 6 months, except in the case of exceptional situations as referred to under Section 4.36 of the [Service Contract User Guide](#). For further details, please see Section 4.1 of the Service Contract User Guide.

2.2 Incorrect Use of the Individual Contract

The UNDP manager approving the IC is accountable for the proper use of the Individual Contract modality. Under no circumstances should an Individual Contract (IC) be used for functions normally performed by UNDP staff or in replacement of a UNDP staff member for any period of time. These functions should be carried out under staff contracts such as the Temporary Appointment (TA) (please refer to “[UNDP Temporary Appointment Guidelines](#)”) or the Fixed Term Appointment (FTA) (please refer to the [UNDP Recruitment and Selection Framework](#)).

Individual Contracts must not therefore be used for the following purposes:

- a) To perform staff functions: including but not limited to areas such as programme/project, and operations.
- b) As a stop-gap measure, such as filling posts temporarily vacated by a UNDP staff member on any form of absence or leave (annual, home, maternity/paternity leave, special leave with or without pay, etc.);
- c) When recruitment of a new staff member for an existing position in an office is taking longer than usual for whatever reason;
- d) To fill regular and continuing functions in an office;
- e) As a means to re-instate a staff member whose previous post/function has been abolished;
- f) As a means of placing a staff member on a short-term probationary period, even if a competitive selection process has been completed, prior to confirming the staff member's appointment to a fixed-term contract or other contract modality;
- g) When a post is created on an experimental basis and the office would like to determine whether the said post and functions should be made a regular post/function in the office.

3.0 LEGAL STATUS, RIGHTS AND OBLIGATIONS

3.1 Legal Status

Individual Consultants/Contractors serve in their independent, individual capacity and not as representatives of a government or of any other organization including UNDP. They are neither “staff members” under the [UN Staff Regulations and Staff Rules](#) nor “officials” under the [Convention on the Privileges and Immunities of the United Nations](#).

Individual Consultants/Contractors may be given the status of “experts on mission” in the sense of Section 22 of Article VI of the above-mentioned Convention. Such determination is made in each case by the UN Secretary-General who alone has the authority to assert immunity on behalf of the Organization. Under these special arrangements the “expert on mission” may be provided with a UN Certificate for the period she/he is retained. “Experts on mission” are not entitled to UN Laissez-Passers.

During the period of service with UNDP, Individual Consultants/Contractors are required to uphold the standard of conduct set forth in their contract and the "Regulations Governing the Status, Basic Rights and Duties of Officials other than Secretariat Officials, and Experts on Mission" (ST/SGB/2002/9). Individual Consultants/Contractors are bound by the terms of their contract to respect the impartiality and independence of the UN and exercise the utmost discretion in all matters relating to the performance of their functions. During the period of service with UNDP, Individual Consultants/Contractors may not engage in any activity that is incompatible with the discharge of their duties with the Organization. They are to exercise the utmost discretion in all matters of official business of the Organization.

Unless specifically authorized by UNDP, Individual Consultants/Contractors may not communicate at any time to the media, or to any institution, person, government or other external authority, any information that has not been made public and which has become known to them by reason of their association with UNDP; except in the course of their duties or by authority of the UNDP Administrator or his/her designate, nor shall they use the information for private advantage. These obligations do not lapse upon cessation of their service with UNDP.

3.2 Title Rights

The title rights, copyrights, patents, and all other rights of whatever nature in any material produced under the provisions of the Individual Contract shall be vested exclusively with UNDP. At the request of UNDP, the Individual Consultant/Contractor will assist in securing such title or property rights and in transferring them to UNDP in compliance with the requirements of the applicable law.

3.3 Audit and Investigations

Allegations of wrongdoing by Individual Consultants/Contractors shall be reported to the Office of Audit and Investigations, which may, at its discretion, conduct an investigation. Individual Consultants/Contractors are required to fully cooperate with any audit or investigation conducted by UNDP.

3.4 Individual Consultant/Contractor Rights and Obligations

The rights and obligations of the Individual Consultant/Contractor are strictly limited to the terms and conditions of the Individual Contract. More specifically:

- i) Individual Consultants/Contractors are specifically engaged for their skills and expertise, and to provide identified deliverables. Under specific circumstances, Individual Consultants/Contractors can participate as non-voting members of corporate committees providing advisory services/support in their substantive area of expertise.
- ii) The services carry no authority or legal rights to bind UNDP into any agreements. They must be performed within the timeframe indicated in the Individual Contract.
- iii) Individual Consultants/Contractors are responsible for paying any taxes deriving from their earnings with UNDP in their home country. In cases where they are on assignment outside of their home country and benefit from the status of "persons performing services" for UNDP in accordance with the [Standard Basic Assistance Agreement \(SBAA\)](#) or other applicable treaty of the country issuing the Individual Contract, their earnings from UNDP in the country of assignment are immune from taxation.

- iv) Individual Consultants/Contractors are not entitled to any benefits, compensation or subsidies except those explicitly provided for in the Individual Contract (IC). Therefore, Individual Consultants/Contractors are not entitled to any staff entitlements such as annual leave (AL), sick leave (SL), or maternity leave.
- v) Individual Consultants/Contractors are not entitled to reimbursement of any taxes.
- vi) Individual Consultants/Contractors must not be given any form of representational, supervisory approving or signing authority for committing UNDP into any legal and/or financial obligations (e.g., Atlas approving authority, signing of contracts, etc.) An affiliated UNDP e-mail address may be granted and in case access to the UNDP intranet is required, the supervising UNDP staff will request it.
- vii) Individual Consultants/Contractors do not participate in the United Nations Joint Staff Pension Fund (UNJSPF) and will not be eligible for any benefits from the Pension Fund in respect of the period of service under an Individual Contract.

3.5 No Employer/Employee Relationship

Individual Consultants/Contractors are not staff members and UNDP offices must ensure treatment of the Individual Consultants/Contractors accordingly. For example, as Individual Consultants/Contractors, they must not hold positions in the UNDP Staff Association/Council and may not have any voting rights in UNDP. They may not participate in global UNDP surveys.

4.0 SELECTION AND ENGAGEMENT OF ICs

When initiating the selection process for an Individual Contract, the requesting unit must first determine whether intellectual services (requiring a consultant) or support services (requiring a contractor) are needed. This distinction should be reflected under the terms of reference, evaluation method, and payment terms.

4.1 Prerequisites for Contracting

The following are prerequisites for engaging Individual Consultants/Contractors under an Individual Contract:

- a) **Budgetary Provisions;** Managers of requesting units must ensure that funds for the services or activities are approved and available in the appropriate budget(s)/account(s); this is essential before the engagement process can begin.
- b) **Assessment that the Individual Contract is the right contractual modality,** especially in comparison with criteria for issuance of a Temporary Appointment (TA) or Fixed Term Appointment (FTA).
- c) **Terms of Reference;** Managers of requesting units are responsible for preparing the terms of reference (TOR); which is developed for the assignment and is the basis for the sourcing, the evaluation and the selection of Individual Consultants/Contractors. The TOR clearly specifies the deliverables and/or activities to be undertaken and the degree of expertise required, as well as the name and title of the immediate supervisor. When creating the terms of reference, the requesting unit should consider whether the assignment requires the services of a consultant or a contractor, as well as whether a daily fee or lump sum payment option is more appropriate under the circumstances.

The TOR must indicate the individual(s) to whom the Individual Consultants/Contractors will report deliverables and must clearly reflect the following:

- General background information on the context of the engagement;
- Objectives of the assignment;
- Scope of work, which must be consistent with the budget for the works, and contain a detailed description of the deliverables and activities to be performed.
- The duration of the assignment; duty station and expected places of travel, if any is required;
- Detailed provision of monitoring and progress controls, including reporting requirements, frequency, format and deadlines;
- A clear and unequivocal definition of the final product/s or deliverables (e.g., survey completed, workshop conducted, data collected, reports written, etc), timeframe for completion of the deliverables and payment milestones;
- Approval process required to certify outputs prior to authorizing payment, payment milestones information if applicable;
- An unambiguous description of the selection criteria including required degree of expertise and qualifications such as specialized knowledge, language needs and experience the consultant/contractor must fulfill;
- If applicable, a detailed list of all inputs and services which will be provided to the consultant/contractor by UNDP or, where applicable, by UNDP's implementing partners, in order to perform the contract; and
- Other relevant information.

The TOR should also state whether the assignment requires partial, intermittent or full time presence on UNDP premises, and a sound justification as to why a full time presence on UNDP premises is required, if the latter applies. If support services such as office space, equipment, secretarial services, etc. are required, the TOR should clearly state what arrangements for such needs are being made and indicate the responsible party.

4.2 Competitive Selection Process

All Individual Consultants/Contractors must, unless otherwise provided in these guidelines, be selected through a competitive process.

The holder of delegated procurement authority is responsible for instituting competitive selection procedures for engagement of all Individual Consultants/Contractors in his or her office and projects.

This section covers two elements of the selection process – structuring of the consultant/contractor financial proposal (4.2.1) and a description of the process (4.2.2).

4.2.1 Setting the Consultant Fee; the importance of Market Price

As a key element of the competitive selection process, the requesting unit shall require financial proposals from IC applicants, in order to identify the market price and as an element of the evaluation. Depending on the nature and complexity of the assignment, all IC applicants will be requested to submit their financial proposals based on a lump sum or daily fee approach.

- **Lump sum contracts**

The financial proposal specifies a total lump sum amount, and specifies the payment terms around specific and measurable (qualitative and quantitative) deliverables (i.e. whether payments are made in installments or upon completion of the entire contract). Payments are based upon output, i.e. upon delivery of the services specified in the TOR. In order to assist the requesting unit in the comparison of financial proposals, it is recommended that a breakdown of this lump sum amount (including travel, per diems, and number of anticipated working days) is provided by the IC candidate. The lump sum approach is the preferred method, as it clearly links deliverables and payments transferring any unforeseen risks for the completion of the deliverable to the consultant/contractor.

- **Contracts based on daily fee**

The financial proposal specifies a daily fee, travel expenses and per diems quoted in separate line items, and payments are made to the Individual Consultant/Contractor based on the number of days worked.

The daily fee is all-inclusive and shall take into account various expenses incurred by the consultant/contractor during the contract period:

- Consultant daily rate
- Health insurance as applicable
- Risks and inconveniences related to work under hardship and hazardous conditions
- Any other relevant expenses related to the performance of services under the IC.

The daily fee approach should only be used when clear, quantifiable deliverables are difficult to articulate prior to commencement of the assignment. The following template may be used and adapted depending on the specificities of the assignment: [“IC Procurement Notice”](#)

4.2.2 Description of Selection Process

While the above provides an overview of the fee structure and cost elements to be considered in the selection process, Section 4.2.2 begins with a table providing specificities of minimum requirements depending on contract value (below 2,500 USD, between 2,500 and 100,000 USD, and above 100,000 USD). Furthermore, steps outlining the selection process will be provided.

Amount	Sourcing	Receipt of offers including financial	Evaluation	Reference Checks	Negotiation	Review of Award
Less than 2,500	No competitive process necessary, past performance review and note to file	Yes, even if only 1 candidate	Review against the established criteria and note to file	To be determined by the unit, depends on nature of the assignment	Yes	Evaluation team prepares and signs the note to file for the Procurement Authority's approval
2,500 – 100,000	At least 3 qualified applicants to be considered. (Advertisement optional)	Yes	Desk review and/or interview	Yes	Yes	Senior official's approval (for awards above \$30k)
Above 100,000	Advertisement mandatory	Yes	Interview mandatory	Yes	Yes	RACP approval

Sourcing of Applicants

Where a competitive process is required, at least three qualified² applicants must be identified through an advertisement, an established roster, or prior good performance under similar types of assignments or consultation with colleagues. The process for selecting applicants through a roster or through an advertisement is distinguished below:

➤ *If applicants are identified through an established roster or other sources of information*

The procurement notice (based on the standard template – “[IC Procurement Notice](#)”) and TOR are forwarded to at least three identified applicants. The notice shall clearly require applicants to submit an application including the following:

- Letter of interest/proposal (when applicable):
 - Explaining why they consider themselves the most suitable for the work
 - Providing a brief methodology, if applicable, on how they will approach and conduct the work
- Personal CV including past experience in similar projects and contact details of referees
- Financial proposal

➤ *If the assignment is advertised then:*

A procurement notice based on the developed TOR is posted on the UNDP website and in any other place or manner that is deemed feasible (e.g. in specialized magazines or on websites or networks of other organizations or clients). The notice is posted using a standard template including background, required competencies, knowledge and academic qualifications, experience and language. In determining complexity of the TOR, the requesting unit should consider the nature of the assignment (e.g. whether it requires a contractor or consultant).

² Qualified applicants are those meeting the minimum requirements established for the selection process of the IC.

The TOR shall be attached to the procurement notice. The evaluation method must also be decided at this stage, and identified in the procurement notice. The evaluation methods are further described below under the heading “Evaluation Method”.

The procurement notice shall remain open for at least five (5) working days (ten (10) working days is recommended) after the date of announcement. The notice shall clearly require applicants to submit an application including all information as described above.

Reception of offers

Offer(s) based on established TOR, whether from one or more applicants, will be requested and received by the procurement unit, by the stipulated deadline. Offers may be received by envelope, fax or e-mail. In the case of fax or e-mail, a dedicated fax number/e-mail account must be used to ensure confidentiality.

Evaluation Method

- All applications shall be evaluated in accordance with the criteria stated in the procurement notice based on the terms of reference;
 - Compliance with minimum requirements, e.g. academic qualifications or number of years of experience.
 - Demonstrated technical and personal competences, e.g. subject matter understanding, analytical skills or communication skills.

The evaluation method will be determined based on whether the assignment requires a consultant (intellectual/strategic services) or a contractor (support services). This method must be identified under the procurement notice. The business unit will have the option of selecting from the two options below:

- Best value for money approach; usually used for assignments that are intellectual in nature, which takes into account a combination of the applicants’ qualifications and financial proposal. The financial proposal should account for a minimum of 30% of the total evaluation score
- Lowest evaluated offer of technically qualified applicants, usually used for consultants or contractors performing support services
- When selecting Individual Consultants/Contractors, UNDP seeks to identify the right level of competences to ensure deliverables identified in the TOR are achieved. The evaluation process may either occur through a desk review and/or interview as described below. Nevertheless, if a desk review is used as the only evaluation method, the evaluation team chairperson shall verify the selected candidate’s capacities and competences through an interview as part of the validation process.
- The requesting unit screens all applications. A list of all applicants, indicating who meets minimum qualifications and requirements, as stated in the procurement notice, shall be prepared. The requesting unit is expected to short-list a minimum of 3 applicants from this list.

The requesting unit shall prepare an evaluation grid listing evaluation criteria as described in the procurement announcement, the weighted (score) allocated to each criterion, and a minimum threshold. The weight should reflect the importance of each criterion, and the minimum threshold should indicate the minimum total score at which the candidate would be perceived to meet the job requirements. Each criterion will be evaluated as follows:

The individual consultant/contractor has demonstrated an OUTSTANDING capacity for the analyzed competence.	5 (outstanding)
The individual consultant/contractor has demonstrated a VERY GOOD capacity for the analyzed competence.	4 (Very good)
The individual consultant/contractor has demonstrated a GOOD capacity for the analyzed competence.	3 (Good)
The individual consultant/contractor has demonstrated a SATISFACTORY capacity for the analyzed competence.	2 (Satisfactory)
The individual consultant/contractor has demonstrated a WEAK capacity for the analyzed competence.	1 (Poor)

- When applications are evaluated through a desk review, the requesting unit establishes an evaluation team - minimum 2 members, preferably consisting of 3 - including one from a unit other than the requesting unit (program/operations), with a suitable background. At least one of the members must be UNDP staff and will take the role of evaluation chairperson. The evaluation team must assess and rate each short-listed candidate based on submitted documentation using the evaluation grid.
- When applicants are evaluated through an interview, the interview panel (ad hoc established as stated above by the requesting unit, including one member from another unit (program/operations)) shall agree—prior to the interviews—on the questions the candidate should be asked and the skills and knowledge that they are expected to demonstrate in response thereto. Questions should clearly relate to the established evaluation criteria. In order to ensure fairness, applicants shall be asked the same set of questions during the interview. The interview panel must assess and rate short-listed applicants based on their submitted documentation and their performance at the interview by use of the evaluation grid.
- Applicants short-listed for interview shall be informed at least twenty-four (24) hours in advance of the interview. In situations where an applicant withdraws his or her application, the requesting unit can include the next ranked applicant for interview provided that the applicant's profile meets TOR criteria.
- Upon completion of the desk review/interview, the evaluation team shall discuss all the applicants and agree on the most suitable candidate; the evaluation team shall then finalize its ratings and prepare and sign interview/desk review minutes.
- Reference checks are an important part of the selection process. These checks must always be conducted for the selected candidate. At least two positive references should be obtained. A positive reference check within the last two years is valid for this purpose.
- The requesting unit must ensure vendor eligibility in accordance with UNDP rules and regulations, including eligibility established by such bodies as the Security Council (i.e. Security Council Resolution 1267).
- The applicant receiving the highest score or the lowest evaluated offer meeting minimum requirements and competences (depending on the selected award criteria), shall be the recommended applicant.

Fee Negotiations

Once the best qualified applicant has been identified, the fee may be negotiated. A minimum of two (2) staff members (preferably one from the beneficiary unit and the other from the procurement staff) shall take part in the negotiations. The basis for negotiation is the financial proposal submitted by the individual in the offer. Negotiations will take into consideration the available budget for the assignment, the established payment rates for international Individual Consultants/Contractors, or local market rates for local Individual Consultants/Contractors. The requesting unit **shall make no commitments prior to proper award of contract** and the applicant must be informed that the result of the evaluation and negotiations is subject to approval of the contract award by the

relevant procurement authority. The final negotiated agreement needs to be put in writing in a note to file prepared and signed by the negotiation team and retained for internal records.

Award

Once the contract award is determined, the contract, depending on the amount and duration, may require further review prior to approval by procurement. For information regarding delegation of procurement authority and limits to delegated authority, please refer to Sections 1.2.1 and 1.2.2. Procurement review requirements are discussed under Section 4.4.

4.3 Direct Contracting

All Individual Consultants/Contractors should be selected through a competitive process. Under certain circumstances, and subject to proper justification, it may be appropriate to consider a single applicant as the sole suitable individual for selection. Justification for direct contracting³ must be from those categories listed under 121.05 of the UNDP Financial Rules and Regulations. In such cases, the process is as follows:

- Direct contracts from USD 2,500 to USD 100,000 require approval of the RR/Head of the Business Unit.

For direct contracts above \$30,000 but below \$100,000 the justification for direct contracting and the best value for money analysis needs to be reviewed and endorsed by the Deputy Resident Representative Operation DRR(O), Deputy Country Director Operations DCD(O), Operations Manager (OM), Head of the Procurement Unit or CAP Chairperson, prior to the final approval by the procurement authority, RR/Head of the Business Unit, or delegated procurement authority.

- Direct contracts from USD 100,000 or more require Regional Advisory Committee on Procurement (RACP) approval (in the absence of RACP, cases will be reviewed by ACP).

4.4 Procurement Review Committees

4.4.1 Contract, Asset and Procurement Committee (CAP)

Individual Contracts or series of Individual Contracts awarded to the same individual/entity with a cumulative value of less than USD 100,000 per business unit over a 12 month period, whether the contract is awarded based on a competitive process or direct contracting, do not require a review by the Contracts, Asset and Procurement (CAP) Committees prior to approval.

4.4.2 Regional Advisory Committee on Procurement (RACP)

Individual Contracts or series of Individual Contracts awarded to the same individual with a cumulative value above US\$100,000 per business unit over a 12 month period require Regional Advisory Committee on Procurement (RACP) approval. For purposes of calculating the cumulative amount, the 12 month period begins 12 months prior to the expected date of the new contract commencement. This threshold applies whether the contract is awarded based on a competitive process or direct contracting (waiver of competition). Individual Contracts submitted for review to the RACP do not require prior review by the local CAP. Nevertheless, as an integral part of the

³ For further information on direct contracting, please see "Procurement Methods" under the "Contract and Procurement Management" section of the Programme and Operations Policies and Procedures (POPP).

submission process to the RACP, it is mandatory to include, as part of the submission dossier, comments from the local CAP Chairperson regarding the selection process.

Moreover, any amendment to a contract previously reviewed by the RACP, where the contract amendment either increases the total contract amount by more than 20 percent or USD 100,000, whichever is less, shall be reviewed by RACP.

Finally any amendment of a contract not previously submitted to RACP, where the revised total contract amount is valued at USD 100,000 or more, shall be submitted to the RACP.

The Regional Advisory Committee on Procurement (RACP) reviews Individual Contract requests and provides advisory support to the Head of Offices/Bureaus on requests for Individual Contracts with regards to:

- a) direct contracting (waivers of competition);
- b) compliance in the competitive selection process;
- c) suitability of individual selected;
- d) appropriate level of fees;
- e) appropriate duration and contractual modality for the assignment;
- f) conformity with IC policies and guidelines taking into account restrictions in the engagement of individual contractors/consultants, such as former staff, relatives, etc.; and
- g) recommendation on approval to issue IC.

In the absence of RACP, Individual Contracts will be reviewed by the Advisory Committee on Procurement (ACP).

4.5 Issuance of a Contract (Individual Contract/Reimbursable Loan Agreement)

When issuing a contract to the selected applicant, the unit must decide whether an Individual Contract (IC) or Reimbursable Loan Agreement (RLA) is appropriate. Individuals contracted through an institution or company shall be issued a Reimbursable Loan Agreement (RLA). For the purpose of the present guidelines, a company/institution shall refer to any entity legally authorized to conduct business.

Irrespective of whether an IC or RLA is used, the selected applicant must submit the following documents before the contract is signed:

- All consultants/contractors \$2,500 and above should complete and sign a P11 before award of contract. (While a P11 form is a Human Resources form it is used here to ensure uniformity in the provision of personnel information).
- **For an IC of 62 years or more on an assignment requiring travel, a full medical examination and statement of fitness to work must be provided (this is not a requirement for RLA contracts).**

Upon approval of the recommended applicant, the procurement unit may then issue an offer for the engagement of the consultant/contractor. A [Letter of Intent](#) is recommended for use mainly to facilitate issuance of visas, as and when required.

Upon completion of all of the above requirements, the Individual Contract should be provided to the Individual Consultant/Contractor for signature, together with the TOR and relevant documents referred to in the contract. No work should commence until the contract has been duly approved and signed by both UNDP and the Individual Consultant/Contractor.

4.6 Computerized System for Individual Contract Administration

The administration of the Individual Contract is automated under Atlas. Individual Consultants/Contractors are and must be strictly treated as vendors of services, registered in the procurement module of Atlas. In order to avoid duplications in Atlas, Individual Consultants/Contractors need to present an official identification (i.e. passport or national ID).

4.7 Commencement of Services

Neither commencement of work nor payment of remuneration is permitted before Individual Contracts are signed by both parties. Engagement of Individual Consultants/Contractors on a retroactive basis is not permitted under any circumstance. Strict compliance with this requirement should be enforced to safeguard both the interests of UNDP and the individuals concerned.

4.8 Post Facto

Post facto actions are not part of the procurement process. The UNDP official authorizing or approving an award without the requisite approvals is solely accountable for the action. The business unit concerned should submit a justification for the post facto action to the CPO/RCPO, who will assess and decide whether further action is necessary by concerned oversight HQ units.

4.9 Amendment of Individual Contract

Amendments of the IC are used when contracts are extended beyond the initial contract period and/or when there are minor modifications of contract provisions. There are two possible options for amending a contract:

- Amendment of timeframe/no-cost amendment: a short explanation should be provided on why the timeframe needs amendment (extension).
- Amendment with additional activities in line with the original TOR/cost amendment: a short justification on how the amendment of the contract will enable the contracting unit to achieve development results and any other explaining factors.

A revised TOR and/or revised deliverables will require a new competitive process.

Amendments are effective only when approved by the UNDP delegated procurement authority.

4.10 Retainer Contract and Long Term Agreement

A retainer contract may be used to engage Individual Consultants/Contractors where feasible. It specifies the unit price and schedule of services to be rendered. The retainer contract creates a firm commitment on both parties; UNDP provides a financial commitment while the consultant/contractor provides a commitment of availability for satisfactory and timely completion of deliverables. Therefore as a retainer contract implies a financial commitment, UNDP must issue a contract with maximum expenditure level.

A Long Term Agreement (LTA) may also be used to engage individual consultants/contractors. The LTA specifies the unit price, allowing for a framework agreement to be used when the consultant/contractor's services are

needed. Unlike the retainer contract, LTAs do not require a financial commitment from UNDP at the time the LTA is signed. Financial commitments will be established on an ad-hoc basis every time services are requested within the scope of the LTA and a contract will be issued.

Both a retainer contract and LTA, as is the case with other Individual Contracts, need to be based on a competitive procurement process which includes advertisements, short-listing, and evaluation based on established criteria including financial evaluation and approval by the relevant procurement authority. For detailed information regarding how to manage the competitive selection process, see 4.2 “Competitive Selection Process”.

Retainer contractors and LTAs are to be used when engaging an individual on an intermittent basis. A retainer contract or LTA should be regularly renewed depending on performance, which should be reviewed at the end of each year. Therefore, at a minimum, a competitive procurement process must be conducted every three (3) years. These agreements may not be used when a consultant/contractor is needed on a permanent basis over a period of time.

5.0 SERVICE-INCURRED LIABILITY

5.1 Statement of Medical Fitness for Work

Individual Consultants/Contractors whose assignments require travel and who are over 62 years of age are required, at their own cost, to undergo a full medical examination including x-rays and obtaining medical clearance from an UN-approved doctor prior to taking up their assignment.

5.2 Inoculations/Vaccinations

Individual Consultants/Contractors are required to have vaccinations/inoculations when travelling to certain countries, as designated by the UN Medical Director. The cost of required vaccinations/inoculations, when foreseeable, must be included in the financial proposal. Any unforeseeable vaccination/inoculation cost will be reimbursed by UNDP.

5.3 Service-Incurred Death, Injury or Illness

UNDP will provide a specific insurance benefit regime for the Individual Consultant/Contractor to cover service-incurred death and disability under a group insurance policy managed and administered by UNDP headquarters, for all Individual Consultants/Contractors. Reference should be made to the table “Insurance coverage”. Individual Consultants/Contractors who, under the terms of their contract, are required to travel (domestically or internationally) at UNDP’s expense or to perform services in a UNDP office, will also be covered by corporate service-incurred liability insurance, in the event of death, injury or illness attributable to the performance of official UNDP duties. This insurance for Individual Consultants/Contractors is centrally administered by PSO/BoM in New York. This insurance premium will be recovered from the requesting unit on a periodic basis.

5.4 Malicious Acts Insurance Policy

Individual Consultants/Contractors who provide services in, or travel at UNDP’s expense to, a designated hazardous duty station are covered by the Malicious Acts Insurance Policy (MAIP). Because of this, the Individual Consultant/Contractor must comply with all UN security directives. Failure to comply with such security directives is grounds for termination of the Individual Consultant/Contractor for cause and possible loss of MAIP eligibility and benefits. The office issuing the Individual Contract shall be required to ensure that the Individual Consultants/Contractors are aware of all security directives, including issuance of security clearance for travel.

6.0 TRAVEL

6.1 Travel modes applicable to IC

There are two types of travel that may be applicable to Individual Consultants/Contractors:

- Mission travel, which is generally defined as travel that is requested as part of the performance of functions under the contract. This type of travel is usually from the duty station to the place of the mission and return to the duty station.

- Travel to join duty station/repatriation travel. This type of travel is only applicable for international Individual Consultants/Contractors who do not reside at the duty station at the time of hire.

Travel to join/repatriation travel applies only to international Individual Consultants/Contractors who are actually required to travel to, and depart from, the duty station. Hence, international Individual Consultants/Contractors who are working from home are ineligible. Furthermore, Individual Consultants/Contractors who are at the duty station at the time of hire are ineligible for travel to join, and Individual Consultants/Contractors who remain at the duty station after contract completion are ineligible for repatriation travel. Finally, when a consultant/contractor is offered a new contract for work at the same duty station before the prior contract expires, he/she is ineligible for travel between the two contracts, and a consultant/contractor is ineligible for travel to join/repatriation travel in connection with contract extensions.

Taking (or granting) leave of absence immediately before contract expiry, or postponing contract start under the new contract in order to create an unnecessary break between contracts, will have no effect on the ineligibility for travel.

All envisaged travel costs must be included in the financial proposal. This includes all travel to join duty station/repatriation travel. In general, UNDP should not accept travel costs exceeding those of an economy class ticket. Should the IC wish to travel on a higher class, he/she should do so using his or her own resources. Additionally, any anticipated mission travel must be included in the TOR to allow for inclusion in the financial proposal. **No additional per diem costs will be provided for travel already envisaged under the contract, as these amounts should be included under the Individual Contractor/Consultant's fee in the financial proposal.**

In the case of unforeseeable travel, payment of travel costs including tickets, lodging and terminal expenses **should be agreed upon**, between the respective business unit and Individual Contractor/Consultant prior to travel, and will be reimbursed.

6.2 Travel Expenses

Travel must eventually be reconciled using an F-10 travel claim, irrespective of whether there was a change from the original plan. An F-10 claim is not required for travel included under a lump sum contract, as payment is linked to deliverables.

Payment will be made either as a lump sum of 100% of expected travel costs prior to travel, or the consultant/contractor will be reimbursed for travel expenses upon submission of a travel claim (F-10 form) and all necessary supporting documents.

6.3 Negotiations for Unforeseen Air Travel and Per Diem Rates

The cost of any unforeseen air travel authorized by UNDP for Individual Consultants/Contractors must be negotiated prior to travel. The amount negotiated may not be any greater than full-fare economy, irrespective of the flight duration. Furthermore, agreed per diem costs for any unforeseen travel may not be any greater than the established HR DSA rates. Individual Consultants/Contractors wishing to travel in business or first class shall cover the cost of an upgrade. Travel should always be by the most direct and economical route.

On an exceptional basis, the CPO (or delegated officials) may authorize business class travel if any of the following conditions are met:

- A medical condition exists – in case the Individual Contractor/Consultant falls sick during the course of the assignment; supporting medical certification along with validation by the UN Medical Director at UN Headquarters is required.
- The consultant is considered an eminent person, such as a former Head of State, or a prominent figure in political, humanitarian or cultural areas - defined as per the Report of the Secretary-General A/53/498, Section III, paragraph 5, section (c). [Form TTS-3](#) (Request for Exception to the Standards of Accommodation for Air Travel) is required, and shall be cleared and certified by the RR/RC and endorsed by the Bureau.
- Required travel qualifies as an “arduous journey”, as discussed under the Report of the Secretary-General A/53/498, section III paragraph 5, section (e). [Form TTS-3](#) shall be cleared and certified by the RR/RC and endorsed by the Bureau.

For all exceptions, supporting documentation including [Form TTS-3](#) shall be submitted to the Chief of BOM/OFA/ASD for prior approval at least three (3) working days before the deadline of the issuance of the ticket.

6.4 Visa and Travel Documents

Internationally recruited Individual Contract holders: UNDP at its own expense will facilitate the Individual Consultant/Contractor in obtaining the necessary visas and work permits for internationally recruited Individual Contract holders who are required by the nature of their assignment to work in a country other than their own country of temporary or permanent residence.

In cases where USA is the duty station, a G-4 visa is usually required. The G-4 visa status is a non-immigrant status granted to persons employed by international organizations while stationed on official business in the United States. It is important to note that persons with G-4 visa status are required by the United States authorities to relinquish any other visa status in the United States that they may have previously held.

For identification purposes, a UN Certificate may be issued upon request for international Individual Contract holders who travel at UNDP expense, in accordance with Section 26 of the Convention on Privileges and Immunities of the United Nations of 13 February 1946, using the form PT-64 “[Application for UN Certificate](#)”

Locally recruited Individual Contract holders: individual subscribers who are locally recruited are responsible for all necessary visas and work permits required by local authorities before commencing their assignment with UNDP. Where the travel destinations form part of the TOR, UNDP shall also assist in obtaining the necessary visas to commence and complete such journey. A letter stating that the individual has been offered an Individual Contract may be issued by the UNDP office to assist in this process.

6.5 Security Clearance

Offices must ensure that security clearance is obtained for Individual Consultants/Contractors who travel to locations in Security Phase I or above.

When travel is required to a country designated Phase 1 security phase or above, the Individual Consultants/Contractors should be requested to undertake the Basic Security in the Field (BSIF) training and Advanced Security in the Field (ASIF). When travel to a country with no designated security phase is required, only

BSIF training must be completed by the contractor/consultant. CD ROMs are available and recommended for use in more technologically challenged environments.

These requirements apply for both IC and RLA contracts.

7.0 ENGAGEMENT OF GOVERNMENT OFFICIALS, RETIRED STAFF, INTERNS AND RELATIVES

7.1 Engagement of Government Officials

Government officials shall not be hired by UNDP under Individual Contracts unless, prior to appointment, the following conditions are met: (i) a no-objection letter in respect of the individual is received from the government, and; (ii) the individual is certified in writing by the government to be on official leave without pay for the duration of the Individual Contract. A retired government official is not considered in this case a government official, and as such, may be contracted.

7.2 Engagement of Former or Retired Staff members

7.2.1 Conditions of Engagement

Former or retired staff members may be engaged on an Individual Contract provided there has been a minimum of three (3) months between retirement and engagement as an Individual Consultant/Contractor in any form by the United Nations.

Former or retired staff members may be engaged on an Individual Contract provided they are not applying for the position they retired from and they did not separate from UNDP or another organization of the UN common system for the following reasons:

- a) abandonment of post;
- b) dismissal for misconduct;
- c) non-renewal of appointment for unsatisfactory service;
- d) termination of appointment for unsatisfactory service; or
- e) resignation in lieu of disciplinary action.

If the separation was on mutually agreed terms, the former staff member to be hired on IC may only be re-engaged as described below:

The current agreed separation policy differentiates two types of agreed separation (Type I and Type II) and in both cases:

After a break of 3 months from the last day of active service (or 1 month if the notice period is served), staff approved for agreed separation may accept short term employment under an Individual Contract (IC) and/or Service Contract (SC) not exceeding six months, subject to normal pension fund limits per year (currently up to \$22,000, plus DSA as applicable). For staff who do not receive pension, this limitation is lifted after 24 months.

The pension fund limit of \$22,000 per year does not apply to RLA contracts, as these contracts are executed with a company and payments are made to the company.

For more detailed information regarding separation policy, please refer to the following link:
http://practices.undp.org/management/hr/Staff_Services/Career_Transition/Agreed_Separations.cfm

Before engaging former or retired staff, the requesting unit must check the reasons of separation for:

- a. internationally-recruited staff members, through the HR Specialist in UNDP's Office of Human Resources (OHR)/BoM Copenhagen;
- b. Locally-recruited staff members, through the HR/Operations Managers in the CO or Office or Bureau in which they served before separation.

7.2.2 Determining Fees of Former Staff Members

The fees payable to former staff members engaged on Individual Contracts must not be based on the level of remuneration which they held before separation, but rather on the nature and complexity of the assignment to be performed.

7.2.3 Retired Staff in receipt of a Pension Benefit

Former staff members in receipt of a pension benefit from the UNJSPF may not receive more than USD 22,000 per twelve month period in emoluments from the UN system or may not be engaged under a contract in excess of 6 months, whichever comes first. Retirees who opt to defer their pension benefits during the period of short-term contract are exempt from the above-mentioned limit.

The USD 22,000 annual limit applies to the gross amount of the fee under an Individual Contract, but does not include travel and terminal expenses.

7.3 Engagement of Interns

Following an internship, an intern shall have a 6-month break prior to any engagement under a staff or non-staff contract.

7.4 Engaging Close Relatives of UN Personnel

In order to avoid real or perceived family influence or conflict of interest, the Staff Rules provide that "An appointment shall not be granted to a person who is the father, mother, son, daughter, brother or sister of a staff member, unless another person equally well qualified cannot be recruited" (see Staff Rule 4.7 (a)). This prohibition also applies to individuals contracted as Individual Consultants/Contractors.

The spouse or recognized partner of a UNDP staff member may be appointed to a non-staff position when the conditions provided below are met;

- a) He/she is fully qualified for the position for which he/she is being considered;
- b) He/she has been selected in accordance with UNDP recruitment and selection policy requirements including a full, transparent and open competitive selection process (without any involvement of the UNDP spouse or recognized partner) where other qualified applicants were reviewed and short-listed;

- c) He/she is not given undue preference by virtue of his/her marriage or common law partnership;
- d) He/she is not assigned to serve in a position which is superior or subordinate in the same line of authority to the other

For more information please refer to the [“Policy on Family Relationships”](#) .

8.0 ESTABLISHING A ROSTER OF ICs

It is highly desirable for offices to establish a roster of qualified Individual Consultants/Contractors. A roster may be established at country offices, regional centers and headquarters to facilitate the identification and selection process, providing easy access to a screened pool of Individual Consultants/Contractors who are potentially suitable and who exhibit the relevant track record on the required work to be performed.

Those updating the Individual Consultant/Contractor rosters are expected to post an announcement, which periodically needs to be re-advertised (at least once a year) with the objective of obtaining new potential applicants. When feasible, offices may consider posting an ongoing announcement (with no submission deadline) so that the roster is constantly updated. This approach is suitable for high demand consultancy/contractor service areas for the office.

Alternatively, applicants on the roster may be identified in accordance with the following criteria:

Applicant has previously worked for UNDP and his/her performance was satisfactory (previous track record which clearly indicates the area in which the applicant has worked for UNDP including a satisfactory, certified performance evaluation form should be available).

OR

Applicant has within the past twelve (12) months been through a selection process for a similar UNDP vacancy for which the applicant was unsuccessful but was nevertheless evaluated as a qualified applicant (documentation from that selection process clearly indicating the areas in which the applicant is qualified must be available).

OR

Applicant has within the past twelve (12) months submitted an unsolicited application or CV and has been screened for qualifications and prior work experience and found potentially suitable.

Rosters may be established by area/sub-area of expertise, global/regional/local knowledge and/or level of seniority among other criteria. For example, an office with a large Democratic Governance Program may establish a roster identifying experts in human rights, decentralization, or parliamentary development, among other areas.

9.0 ROLES AND RESPONSIBILITIES

Responsibility for the effective utilization and proper management of the Individual Contract is shared with various staff in the Organization. The following is a list of the involved parties and their respective roles.

[Managers of requesting units are responsible for:](#)

- determining the purpose and duration of the temporary assignment;

- ensuring availability of funds and budgeting of the proper amounts corresponding to the duration of the agreement and any foreseen extensions, if any;
- preparation of the terms of reference with clearly defined deliverables, deadlines and qualification requirements;
- providing guidance, support, contract management and performance monitoring;
- certification of completion of milestone outputs/deliverables and authorization of disbursement of corresponding payments;
- completion of performance evaluation upon conclusion of assignment;
- amicably resolving any disputes with the Individual Consultant/Contractor.

The Procurement Unit is responsible for:

- facilitating the selection process for the Individual Consultant/Contractor;
- obtaining committees approvals where necessary and applicable;
- establishing the Individual Consultant/Contractor as a vendor in Atlas and issuing the Individual Contract;
- facilitating the engagement process such as travel arrangements, medical clearance, visas, as appropriate;
- ensuring creation of purchase orders in Atlas corresponding to the payment of fees as per contract terms;
- implementing any contract amendment as may be requested and authorized by the requisitioner;
- providing guidance to the requisitioner on IC-related policies;
- maintaining a roster of qualified and pre-screened subscribers; and
- maintaining appropriate documentation and records for the process.

Heads of Offices/Bureaus are responsible for:

- establishing a local CAP;
- instituting a competitive selection process for Individual Contract engagement in their respective office;
- exercising delegation of authority on the award of Individual Contract within the limits of their authority;

The Contract Review Committees, both CAP and ACP, are responsible for:

- recommending approval of Individual Contracts based on the threshold established in these guidelines;
- reviewing requests for compliance with the competitive selection process and conformity with policies and guidelines; and
- recommending suitability of individual selected and the fee established.

Procurement Support Office (PSO/BoM) is responsible for:

- providing the policy and instruments to administer, oversee and monitor the correct and appropriate use of this contractual modality; and
- establishing the compensation structure for contracting individuals under the Individual Contract.

Legal Support Office (LSO/BoM) is responsible for:

- legal questions involving interpretation/application of terms of the contract.
- legal advice regarding claims not resolved amicably by managers.

Office of Audit and Investigations

As part of its normal management audit responsibility, OAI will audit the use of Individual Contracts by users with delegated authority and report on its findings.

Finance Units

Finance Units make payments to Individual Contract holders against a fully completed and duly authorized Certification of Payment Form.

10.0 PERFORMANCE EVALUATION

The work and performance of a consultant/contractor must be evaluated and monitored by the requesting manager on a regular basis to ensure that the contractual obligations have been fully met.

The key factors for monitoring will be the deliverables performed (based on quantity and quality), time frame and cost elements. The established TOR and contract terms and conditions are the basis for contract management.

[The IC Performance Evaluation Form](#) should be used and adapted to the specific needs of the assignment, in order to monitor performance.

11.0 PAYMENT OF ICs

At all times payment for Individual Consultants/Contractors must be linked to satisfactory performance of the established deliverables in the TOR. Therefore, prior to final payment being made to consultants/contractors, an evaluation of their performance is imperative.

This sub-process outlines the payment rules to be followed by UNDP.

11.1 Payment Rates

As a guiding principle, the fees payable should be based on the minimum amount necessary to obtain quality services for UNDP. The principal consideration however, is the nature of the assignment, the complexity, difficulty and extent of the work to be performed and the degree of expertise required to accomplish it.

The daily fee is all-inclusive and shall take into account various expenses incurred by the consultant/contractor during the contract period:

- consultant daily rate
- health insurance as applicable
- risks and inconveniences related to work under hardship and hazardous conditions
- any other relevant expenses related to the performance of services under the IC.

As a benchmark, the range for negotiating rates for international Individual Consultants/Contractors are established by PSO and are represented below:

Consultant's level	Complexity; Degree of Expertise; Availability	RANGE OF DAILY RATE IN US\$
A	Junior Specialist	200-300
B	Specialist	300-550
C	Senior Specialist	550-1000

Fees are to be established by combining appropriate amounts of Elements I and II, as described below. Element I reflects the degree of expertise required to fulfil the TORs, as well as the availability of persons who have such expertise. Element II, on the other hand, reflects the applicants relevant qualifications and experience.

Factors such as language skills, demonstrated results in similar assignments, remoteness of the assignment, market supply, etc. should be considered.

Remuneration for local Individual Consultants/Contractors are based on the financial offer submitted by the Individual Consultant/Contractor; however local market rates for similar work of comparable quality, complexity and difficulty, or by reference to the UNDP local remuneration scale for locally recruited Individual Consultants/Contractors may be used for fee negotiation.

11.2 Method of Payment

Payments must be linked to completion of deliverables. The standard method of payment to Individual Consultants/Contractors under the Individual Contract, whether national or international, shall be the output-based lump sum scheme. Alternatively where this is not possible due to the nature of the work the consultant/contractor was asked to undertake, payment may be made upon a monthly report stipulating tasks and achievements as well as any agreed key performance indicators.

Individual Consultants/Contractors may also be paid on an hourly or daily fee for the services provided, based on the nature of the requirement.

11.2.1 Lump Sum Contracts

The contract specifies a total lump sum fee, and furthermore specifies the payment terms (i.e. whether payments fall in instalments or upon completion of the entire contract). Payments are based upon output, i.e. upon delivery of the services specified in the TOR. The total payment may never exceed the total lump sum fee and may only be reduced if contract obligations are not met by the Individual Consultant/Contractor.

11.2.2 Individual Contracts on Retainer

The contract specifies a “unit price” (e.g. amount per hour, amount per month, amount per translated page), and payments are made to the Individual Consultant/Contractor as follows:

Unit price x number of units worked = payment

11.2.3 Contracts based on daily fee

The contract specifies a daily fee, and payments are made to the Individual Consultant/Contractor as follows:

Daily fee x number of days worked = payment

Where the IC holder is paid on a daily basis, and presumably with defined ways of verifying his/her presence and performance of the tasks, then he/she shall not be paid the days when he/she was absent due to sickness or other reasons. This should not be viewed as an issue of fairness or equity. As a matter of professional practice, individual consultants/contractors determine their fees based on the costs that they foresee themselves incurring when taking on a short-term assignment.

11.3 Currency of Payment

The Individual Contract must specify the amount and currency of payment. Individual subscribers who are not required by UNDP to travel outside the country of their usual residence are normally paid in the currency of that country. Should individual subscribers be required to travel to another country, they may receive their remuneration and travel expenses in another currency when appropriate.

Payment in a hard currency such as the US dollar, or in the local currency equivalent of a US dollar amount, may be necessary in situations of highly volatile local economic conditions or civil unrest. The practice of the local UNDP office with regards to the currency of payment of local fees will serve as the basis for the best approach to follow. Payment to accounts outside of the country is not permitted when this circumvents local laws against payment in other than the local currency and in bank accounts outside the Individual Consultant/Contractor's country of residence.

11.4 Performance Evaluation upon Milestones and Final Payment

A Certification of Payment Form indicating satisfactory completion of work by the authorized official should be completed each time a payment is made. The IC Performance Evaluation Form must be attached to the Certification for Payment Form when processing final payment.

Unsatisfactory performance or failure to complete the terms of reference of an agreement must be brought to the attention of the Deputy Resident Representative (Operations) or Operations Manager in the country office, or the Procurement Support Office (PSO)/Legal Support Office (LSO), immediately upon completion of the assignment for a decision on whether to suspend payment of all or part of the amounts which may be payable to the Individual Consultant/Contractor, and whether to remove the Individual Contract from the active roster.

11.5 Pay Rate on Contract Extension

Should the services of the Individual Consultant/Contractor be extended, the extension is carried out through an amendment to the original Individual Contract. The payment fee in the amended Individual Contract must remain the same taking into account the overall services are subject to a maximum 3 year period. Adjustment of the rate may only occur upon a re-engagement under an Individual Contract for a different assignment with a modified TOR.

11.6 Taxes on Income

Fees are expressed in gross amounts and Individual Consultants/Contractors are responsible for payment of any taxes that may be due on the fees received from UNDP for their services. UNDP has no liability for taxes, duties or other payments payable by the Individual Consultant/Contractor on remuneration made under the contract.

12.0 TERMINATION

This sub-process outlines the procedure to be followed in a situation of termination. The termination of the Individual Contract can be the result of a mutual consent of parties, or by a unilateral decision. The termination can be for convenience or for cause. In the event of a for-cause termination, the party who decided to terminate the Individual Contract for that purpose has to justify its position, and follow the termination procedure.

In cases where the parties enter into disputes, they will first try to resolve them amicably. Offices are encouraged to seek early advice from LSO; if an amiable position cannot be reached, the parties must enter into arbitration, in accordance with UNDP arbitral procedure and rules.

12.1 Termination of Contract

An Individual Contract may be terminated for convenience by either party before the expiry date of the contract by giving notice in writing to the other party. The period of notice will be five (5) days in the case of contracts for a period of less than two months; and fourteen (14) days in the case of contracts for a longer period. The initiation of conciliation or arbitral proceedings, as provided below, shall not be deemed to be a 'cause' for, or otherwise in itself, a termination of the contract.

In the event of for-cause termination by the Individual Consultant/Contractor, UNDP reserves the right to terminate the contract without notice and suspend all pending payments. UNDP will only pay for services already rendered in accordance with the contract and suspend further payments.

Should the contract be terminated by either party prior to its expiry date for reasons other than misconduct or reasons beyond its control, the Individual Consultant/Contractor will be compensated on a pro-rata basis for no more than the actual amount of work completed to the satisfaction of UNDP.

12.2 Settlement of Disputes

Amicable Settlement: UNDP and the Individual Contractor/Consultant shall use their best efforts to amicably settle any dispute, controversy or claim arising out of the Individual Contract or the breach, termination or invalidity thereof. Where the parties wish to seek such an amicable settlement through conciliation, the conciliation shall take place in accordance with the Conciliation Rules then obtaining of the United Nations Commission on International Trade Law ("UNCITRAL"), or according to such other procedure as may be agreed between the parties in writing.

Arbitration: Any dispute, controversy or claim between the parties arising out of the Individual Contract, or the breach, termination, or invalidity thereof, unless settled amicably, as provided above, shall be referred by either of the parties to arbitration in accordance with the UNCITRAL Arbitration Rules then obtaining. The decisions of the arbitral tribunal shall be based on general principles of international commercial law. For all evidentiary questions, the arbitral tribunal shall be guided by the Supplementary Rules Governing the Presentation and Reception of Evidence in International Commercial Arbitration of the International Bar Association, 28 May 1983 edition. The arbitral tribunal shall be empowered to order the return or destruction of goods or any property, whether tangible or intangible, or of any confidential information provided under the Individual Contract, order the termination of the Individual Contract, or order that any other protective measures be taken with respect to the goods, services or any other property, whether tangible or intangible, or of any confidential information provided under the Individual Contract, as appropriate, all in accordance with the authority of the arbitral tribunal pursuant to Article 26 ("Interim

Measures of Protection”) and Article 32 (“Form and Effect of the Award”) of the UNCITRAL Arbitration Rules. The arbitral tribunal shall have no authority to award punitive damages. In addition, unless otherwise expressly provided in the Individual Contract, the arbitral tribunal shall have no authority to award interest in excess of the London Inter-Bank Offered Rate (“LIBOR”) then prevailing, and any such interest shall be simple interest only. The parties shall be bound by any arbitration award rendered as a result of such arbitration as the final adjudication of any such dispute, controversy or claim.

ANNEXES: TEMPLATES AND FORMS

- Letter of Intent

http://content.undp.org/go/prescriptive/Contract-Assets--Procurement---Prescriptive-Content/download/?d_id=1128937

- Individual Contract

http://content.undp.org/go/units/bom/procurement/Procurement/download/?d_id=2963637

- Individual Contract - General Conditions of Contract

http://content.undp.org/go/units/bom/procurement/Procurement/download/?d_id=2963821

- Request to issue an Individual Contract

http://content.undp.org/go/units/bom/procurement/Procurement/download/?d_id=2963669

- Individual Contract on behalf of another UN agency

http://content.undp.org/go/units/bom/procurement/Procurement/download/?d_id=2963971

- Certification of Payment

http://content.undp.org/go/units/bom/procurement/Procurement/download/?d_id=2974301

- Individual Contract Timesheet

http://content.undp.org/go/units/bom/procurement/Procurement/download/?d_id=2963964

- IC Performance Evaluation Form

http://content.undp.org/go/units/bom/procurement/Procurement/download/?d_id=2953882

- Insurance Coverage Table

http://content.undp.org/go/units/bom/procurement/Procurement/download/?d_id=2963931

- UN Staff Regulations and Staff Rules

http://content.undp.org/go/prescriptive/Human-Resources---Prescriptive-Content/download/?d_id=2069044&

- Convention on the Privileges and Immunities of the United Nations

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- Regulations Governing the Status, Basic Rights and Duties of non UN Secretariat Officials, and Experts on Mission (ST/SGB/2002/9, 18 June 2002).

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- UNDP Financial Regulations 121.05(a)

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- Standard Basic Assistance Agreement (SBAA)

<http://practices.undp.org/management/legal/Resources/CandI/SBAA.doc>

- Standards of accommodation for air travel – UN Report of the Secretary-General A/53/498

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- Request for Exception to the Standards of Accommodation for Air Travel- TTS-3

http://content.undp.org/go/practices/management/publish/Bureau-of-Management/download/?d_id=2408547

- Application for UN Certificate

http://content.undp.org/go/practices/management/publish/BOM-Documents-Realignment/file/download/?d_id=208255

- P11 - Personal history form (English)

http://sas.undp.org/documents/P11_Personal_history_form.doc

- UNDP Temporary Appointment Guidelines

http://sas.undp.org/documents/Temporary_Appointment_Guidelines-1_July_09.pdf